

# SECTION 1:

## Introduction





# Message from His Worship the Mayor

**This Long Term Plan for the next ten years is a game-changer for the District. I appreciated the interest by so many local people during the consultation period and the number of submissions about what we planned to do and why.**

Council has always emphasised the need to have a high standard of local roads because it is these which enable farmers to get their produce to market and to receive the servicing critical for that – whether that be dairy tankers, stock trucks, contractor, farm advisers, irrigation experts and equipment or logging trucks. That investment continues, supplemented by Government funding. But there remains a degree of uncertainty, with the Government's desire to improve safety and increase the use of rail. Climate change is an undeniable condition, and with it comes increasing frequency and severity of damaging weather events maintaining our roads will become more expensive.

For the past decade Council has been increasing its investment in water supply, the treatment and disposal of wastewater and the management of stormwater. Rangitikei is fortunate in having all its drinking water supplies chlorinated so we are not facing the significant upgrades which some other councils are. But we have been using waterways to take away sewerage from the towns: although treated, this does have an impact on life in waterways and is offensive to local Māori. So Council is committed to moving towards land disposal – completely where the characteristic of the land permit that. This is an expensive transition, even if there is funding from Government (as is definitely the case for Rātana). Whether that will also occur for the proposed combined Marton-Bulls treatment operation remains to be seen.

In addition, Council has confirmed its determination to secure new, dynamic and purpose-built civic/community facilities in Bulls, Marton and Taihape. The calling for tenders for the Bulls centre represents the culmination of intensive discussion with the community, lobbying for funding, and lengthy dialogues with the architects. Not only will the finished building be useful for locals – the auditorium, the library and meeting rooms – its design will symbolise the important relationship with Ngāti Apa and the Defence Force. It will be a drawcard for visitors. It will increase investment in the town's businesses and help generate interest in new subdivisions within the town.

That is just the beginning – Council aims to achieve a similar result in Marton and Taihape, to comply with earthquake-prone buildings legislation, social needs, and to increase operational efficiency.

For the past decade, Council has had no debt. That will change to fund these projects. But Council remains prudent, well aware that there is a small ratepayer base and determined to keep rates affordable.

I have written about the big projects. But there are many other initiatives Council is undertaking. One is to reduce the amount of solid waste going to landfill and to increase the amount of material which is recycled. That will be a matter for further consultation in the coming year. We are putting more resources into increasing community resilience – civil defence preparedness, youth programmes and responsiveness to Māori. We will be making more services available online to reinforce our determination to provide responsive customer services. We are investing in the District's economic development – and aim to secure partnership with Government from the Provincial Growth Fund. We are supporting a variety of community initiatives, not only through the partnership agreements with local community organisations but also through supporting community-led projects to improve recreational facilities in our towns. And during this year, we must complete the review of our representation arrangements – i.e. how many Councillors, how many Wards, how many Community Boards. The outcome of that will drive Council forward after the next elections, in October 2019.

Our long term plan coincided with a change to the Labour led coalition Government. While the new Government have given a strong indication of the future relationships with local government, i.e. councils, the legislation and policies have yet to be formalised. But what we do know is that the delivery and provision of services for the three waters (drinking water, waste water and storm water) will change to a more aggregated basis and climate change will be a strong focus. The Government has indicated its strong desire to have genuine conversations and partnerships with local government and has indicated a support for council involvement in social services. These changes represent the most significant changes to how councils work over the last 50 years.

This long term plan is bold; it is exciting; and the challenge for us with community help and buy-in, will be to deliver the capital works program and to be proactive in dealing with the changes signalled by the Government.



**Andy Watson**  
Mayor of the Rangitikei



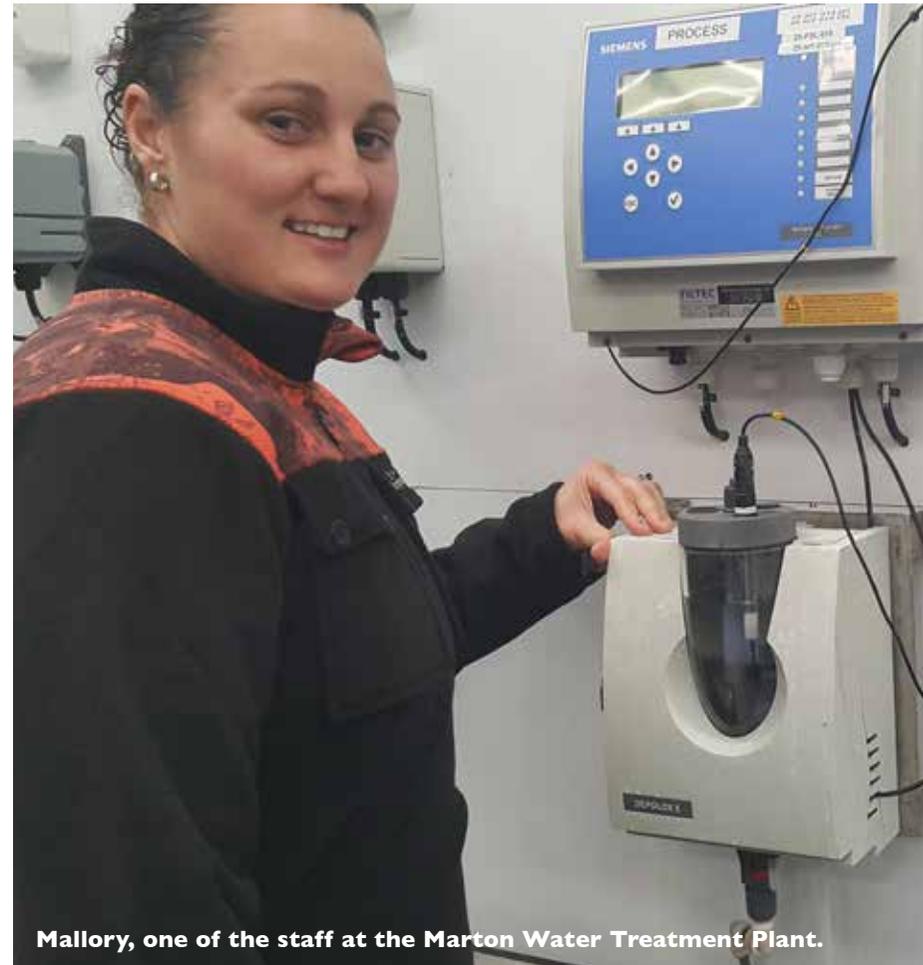
# Disclosure of the potential impact from the Government's proposed structural change in the management of the three waters

**The Minister of Local Government has proposed a review of three water infrastructure, to develop recommendations for system-wide performance improvements during 2018, and to progress parts of the Government's response to the Inquiry into Havelock North drinking water. Cabinet has accepted the proposal as agreed at Cabinet Economic Development Committee.**

The Minister's speech to the Water Summit on 30 May 2018 stresses the need to address both capability and funding. Aggregated, dedicated water providers will be closely considered – this is what the Havelock North Inquiry recommended – but the Minister stated that any option will ensure “continued public ownership of existing infrastructure assets”. But the Minister also recognises that many councils will be concerned about what might happen if they have less of a role in water delivery service: “we need to start thinking about what they might do instead”. The Minister has established four distinct workstreams and intends to report back to Cabinet in October 2018 with proposals included in next year's Budget.

Such changes are very likely to impact on the way the Rangitikei District Council manages the three waters, in particular the urban potable water and wastewater systems, and on the staff of the Manawatū District Council who undertake this work under the Shared Services agreement between the two councils. However, this long-term plan has not made any assumptions about such impacts since most of the planned upgrades and maintenance over the three waters in the Rangitikei District would be likely to occur irrespective of the management arrangements.

As background to the Cabinet paper, the Department of Internal Affairs commissioned a report from Beca on the costs to upgrade drinking water infrastructure to meet the Inquiry's key recommendations. It found that the costs are highest for New Zealand's smallest communities. As this report is generally presented at a regional council level, the potential impact of their findings on Rangitikei is not discernible.



**Mallory, one of the staff at the Marton Water Treatment Plant.**

# Audit Opinion

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## To the reader:

### Independent auditor's report on Rangitikei District Council's 2018 28 Long Term Plan

I am the Auditor General's appointed auditor for Rangitikei District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 28 June 2018.

### Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long term, integrated decision making and co ordination of the Council's resources; and
  - accountability of the Council to the community; and
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 220 to 228 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's

**Note: disclosures are on pages 189 to 196 in this version.**

Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and

- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

### **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

### **Independence**

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits we have no relationship with or interests in the Council.



**Debbie Perera**  
**Audit New Zealand**  
**On behalf of the Auditor General, Wellington, New Zealand**



**Ohingaiti Cliffs, Photo by Richard Aslett.**

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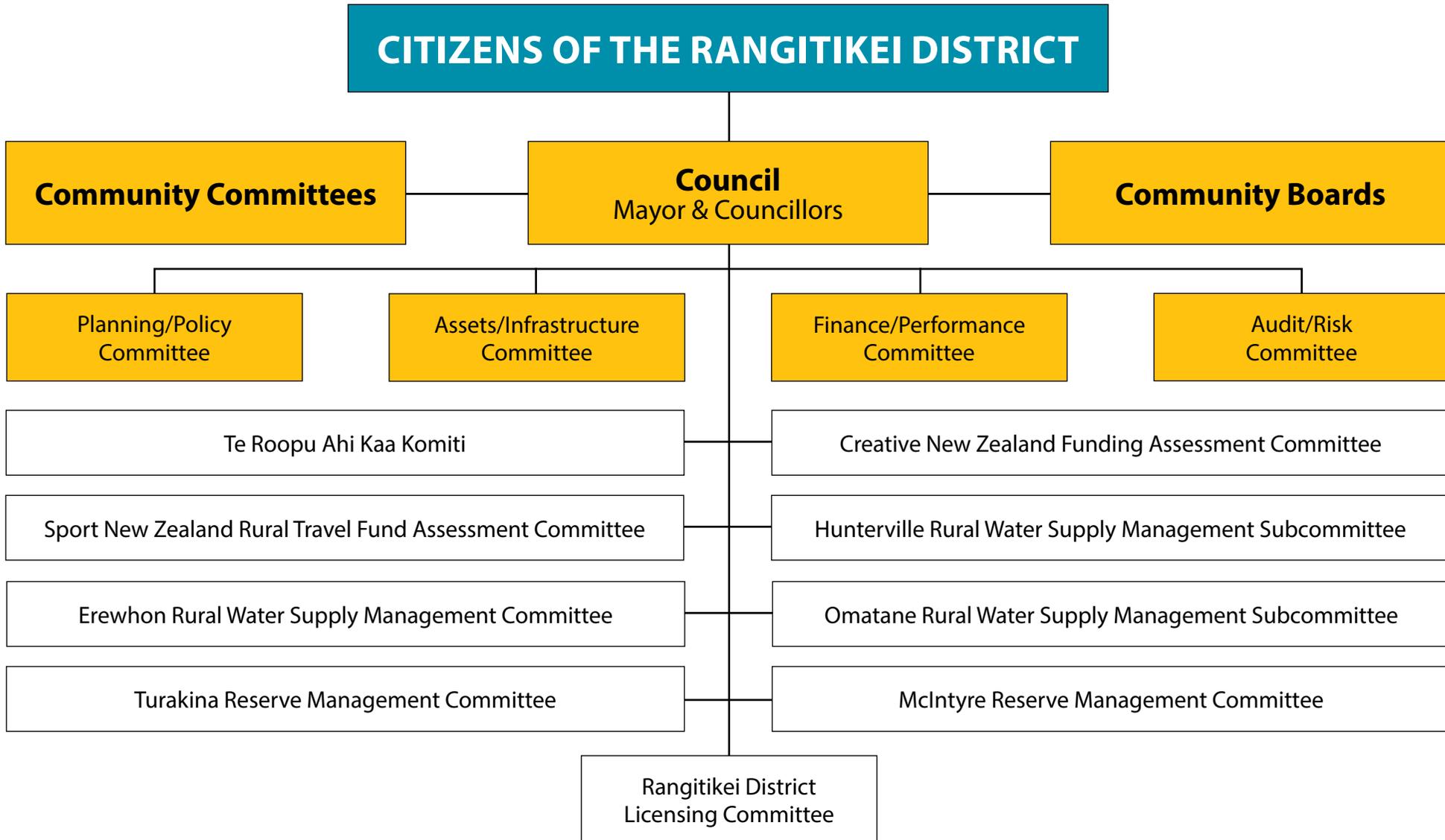


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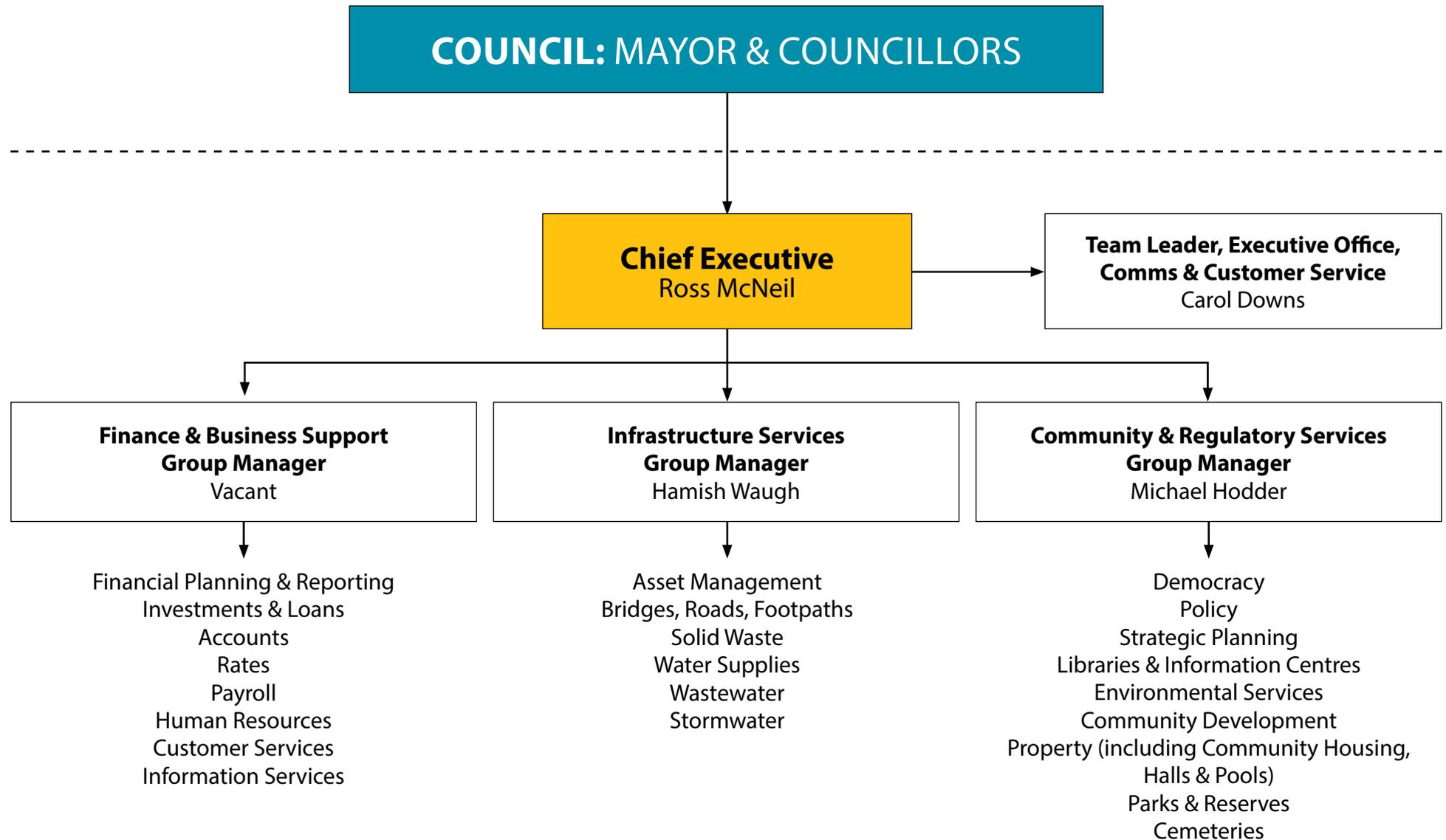


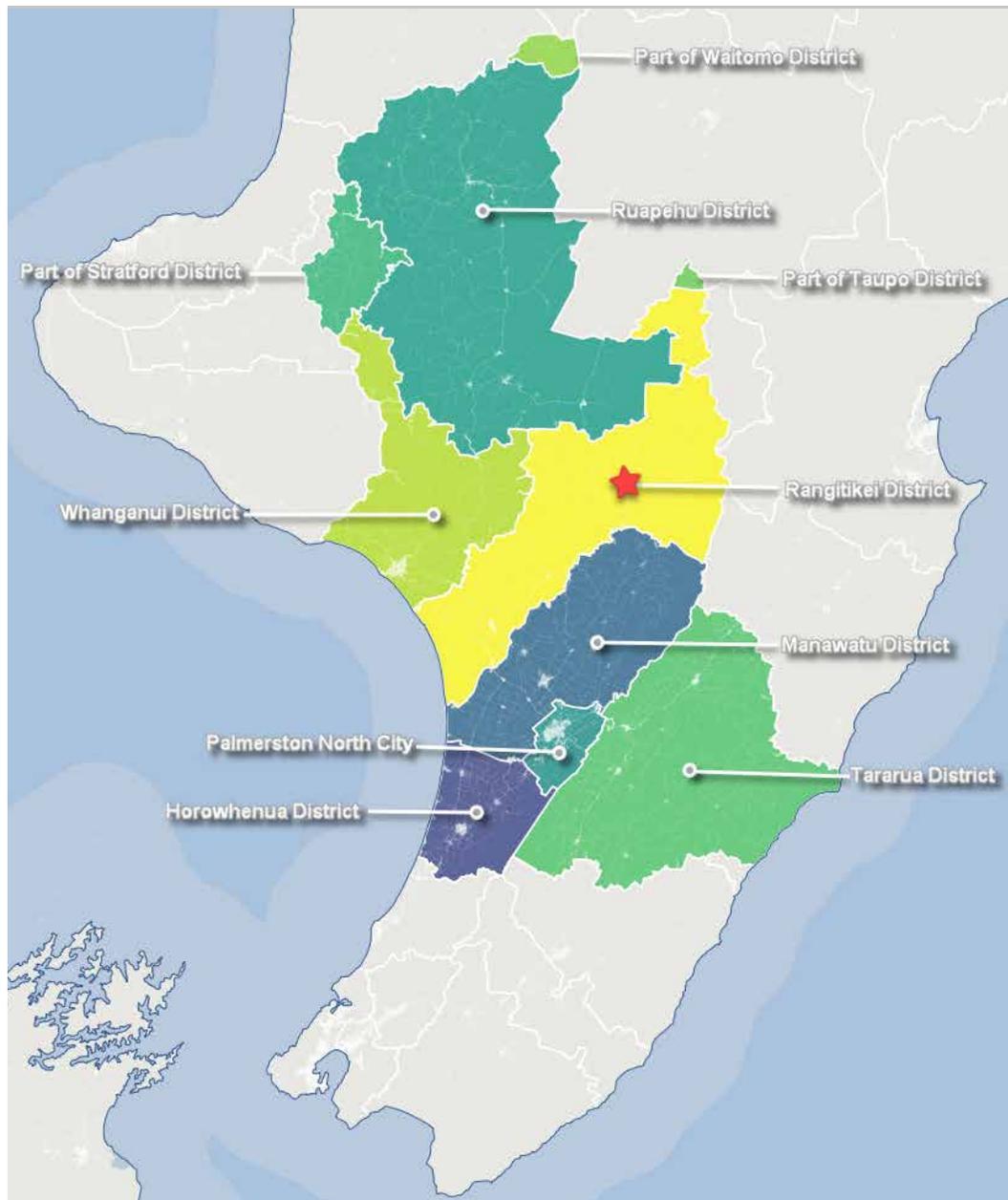
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# Council Structure



# Management Structure





# Manawatu-Wanganui LASS Limited

**An exempt Council Controlled Organisation (CCO) in the Manawatu-Wanganui region is delivering efficiencies, stronger governance and cost savings for the participating councils.**

The CCO (MW LASS) brings together Horizons Regional Council and Horowhenua, Manawatu, Rangitikei, Ruapehu, Tararua and Whanganui District Councils, was established in 2008 to investigate, develop and deliver shared back office services.

To date there has been one call on share capital and is now trading. Rangitikei District Council owns one seventh or 14% of this company and has a \$1,000 share capital.

The company is considered to be a Council Controlled Organisation under the Local Government Act 2002, but the member councils have resolved that it is exempt for the purposes of section 6(4)(i)<sup>1</sup> of that Act for each year since 2010/11 through to 30 June 2019<sup>2</sup>.

**<sup>1</sup> Exempted organisations Section 7:**

(3) A local authority may, after having taken account of the matters specified in subsection (5), exempt a small organisation that is not a council-controlled trading organisation, for the purposes of section 6(4)(i).

(4) An exemption must be granted by resolution of the local authority.

(5) The matters are—

(a) the nature and scope of the activities provided by the organisation; and

(b) the costs and benefits, if an exemption is granted, to the local authority, the council-controlled organisation, and the community.

<sup>2</sup> 16/RDC/230

# What is the Long-Term Plan?

**Each local authority is required to have a long-term plan and to review it every three years. The Long Term Plan sets out what Council plans to do over the next ten years - 2018 to 2028. The first three years are discussed in detail, and the following seven are an outline.**

## Key Issues

**Council's vision for the Rangitikei District is to make it a place that we all want to call home. Home speaks of warmth, vibrancy and relationship. It means security and the enjoyment of core services. Homes are built with careful, efficient design and planning within a workable budget. To make sure the District is the best home it can be over the next 10 years Council will ensure the costs of our core services are affordable and provide value for money, while considering ways to make projects environmentally sustainable.**

Our town centre developments continue to be a priority. These developments are driven both by upcoming requirements for earthquake-prone buildings, but also by the desire to ensure vibrant sustainable communities. The Bulls Community Centre - (auditorium (hall), library/learning hub, visitor information/promotion area, community meeting rooms, a designated youth area and toilets (with 24/7 access) and the regional bus centre), will begin construction from mid-2018 (subject to funding), with completion planned by December 2019. The development of the Cobbler/Davenport/Abraham & Williams buildings in Marton will follow. Preliminary concepts have been prepared, with investigations and subsequent design work likely to take two to three years, so any redevelopment of these properties is unlikely to occur before 2020. There are many options Council has available for the development of the site, the community's views will be sought in the early design

stages of the project. Additionally, Council remains committed to developing an improved civic facility on the Town Hall site. Consultation and preliminary design is planned over the next three years.

Council's core programme of infrastructure renewals and replacements continues. Two key projects are Marton and Bulls wastewater treatments plants. Increasing environmental standards mean that upgrades to the facilities will be required. Council is currently investigating the most cost-effective solution for these upgrades, including the option of piping Marton's wastewater to Bulls and then having a combined discharge to land. Upgrading wastewater treatment in Ratana – again to discharge to land – is also planned. Mangaweka's wastewater will also be considered during the next five years.

Increasing environmental standards may also mean that stormwater discharges over time are likely to be required to meet specific requirements. This may increase costs by requiring treatment prior to discharges to streams/rivers. Additionally Council has decided to end the ambiguity over private drains in urban areas and to implement a programme for dealing with problematic stormwater flows in our towns and villages. All Council's reticulated urban drinking water supplies are chlorinated. However, at this time the Government has yet to announce its decisions following completion of Havelock North Drinking Water Inquiry, in particular whether it will require treatment of rural water supplies intended as stock water only but known to be used by some households.

Our roading network is also ageing and was not built to carry the heavy vehicles we have today. Council has adopted a 'fix as you go' approach to roads that may be impacted by increased heavy traffic activities like forestry for a short time. This means that, for a road which is normally used by a small number of vehicles, any potholes or issues will be fixed at the time the defect occurs, rather than strengthen the road (at considerable cost) before the forestry operations start. The next most significant bridge due for replacement is the Mangaweka Bridge on Ruahine Road.

All of this of course costs money and the bulk of money to provide these core services and facilities comes from rates. Council will need to borrow for its major projects, a fair approach, so the costs are spread over a long period and thus met by all who benefit from them. While our rates increases are likely to average around 5% in the coming years, the affordability of the building and infrastructure projects is a concern. Council will be advocating strongly to Government to increase its funding support for these projects to ensure their viability.

Home. Like we said, it takes careful planning within an affordable budget. Over the next ten years Council is committed to making Rangitikei home for all.



**Bulls Community Centre – Concept Design**

## Community Outcomes

**Community outcomes are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Council has nine community outcomes which are described below.**

- 1 Infrastructural service levels** – Ensuring services meet appropriate standards and are affordable.
- 2 Economic development** – Facilitating growth through infrastructure investment, an enabling regulatory framework and collaboration.
- 3 Future-looking community facilities** – Ensuring community facilities are future-fit and appropriately managed.
- 4 Earthquake-prone buildings** – Reducing the people-risk from Council-owned earthquake-prone buildings and providing a leadership/support role for other earthquake-prone buildings.
- 5 Communication/engagement and collaboration** – Ensuring communities are well-informed and engaged in decision-making, and productive partnerships are established/maintained.
- 6 Rates level/affordability/value** – Ensuring rate levels are prudent and value to ratepayers demonstrated.
- 7 Environment/climate change** – Responsiveness to expectations from the community and Government for more sustainable use of resources, a reduced carbon footprint, and planning for projected impacts in weather and sea-level changes.
- 8 Regulatory performance** – Implementing an enabling regulatory framework which is explicit on whether (and how) Council will exercise any statutory discretion available to it.
- 9 Community resilience** – Advocating for, working in partnership and supporting groups which are concerned with the well-being of the District's communities.